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January 28, 2003

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION
James Formation, Reservoir A
Spider Field, DeSoto Parish, Louisiana
Our File No. 410595.0010

Dear Sir:

On behalf of St. Mary Land & Exploration Company, application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the James Formation, Reservoir A, in the Spider Field, DeSoto Parish, Louisiana:

1. To establish rules and regulations and to create two (2) drilling and production units (to be designated as JAMES RA SUA and JAMES RA SUB) for the exploration for and production of gas and condensate from horizontal wells drilled to the James Formation, Reservoir A, in the Spider Field, DeSoto Parish, Louisiana, as shown on the plat attached hereto.
2. To force pool and integrate all separately owned tracts, mineral leases, and other property interests within each of the proposed units, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate an operator and a unit well for certain of the units to be created hereby.

4. To provide for special field spacing rules for any future horizontal wells drilled to the James Formation, Reservoir A, in the Spider Field, which would provide (a) that the penetration point and terminus of any lateral of any such horizontal well shall not be located closer than 330 feet to any unit boundary, (b) that the average distance between the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 1,000 feet, (c) that the distance from any point along the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 660 feet, and (d) that there be no well spacing limitations between wells other than that accomplished by application of the aforestated provisions.
5. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The James Formation, Reservoir A, in the Spider Field, DeSoto Parish, Louisiana, is hereby defined as that gas and condensate bearing interval between the depths of 5446 feet and 5682 feet (electric log measurements) in the Palmer Petroleum Inc. (Zadeck) - Scurlock No. 1 Well located in Section 11, Township 11 North, Range 14 West, DeSoto Parish, Louisiana.

Pertinent data concerning the intended application will be made available for inspection at the offices of St. Mary Land & Exploration Company, 330 Marshall Street, Suite 1200, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Mr. Kevin McMaster at (318)424-0804, during normal business hours or write Mr. McMaster at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

By Pre-Application Notice dated January 17, 2003, applicant advised the Commissioner of Conservation, the District Manager and all Interested Owners, Represented Parties and Interested Parties of applicant's intention to apply for the hearing which is the subject of this application. Applicant received no request for a conference, and accordingly, no conference will be held.

A check in the amount of \$755.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

Commissioner of Conservation
January 28, 2003
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This application is being filed in duplicate, and a copy hereof is being sent to Mr. James C. Broussard, Shreveport District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

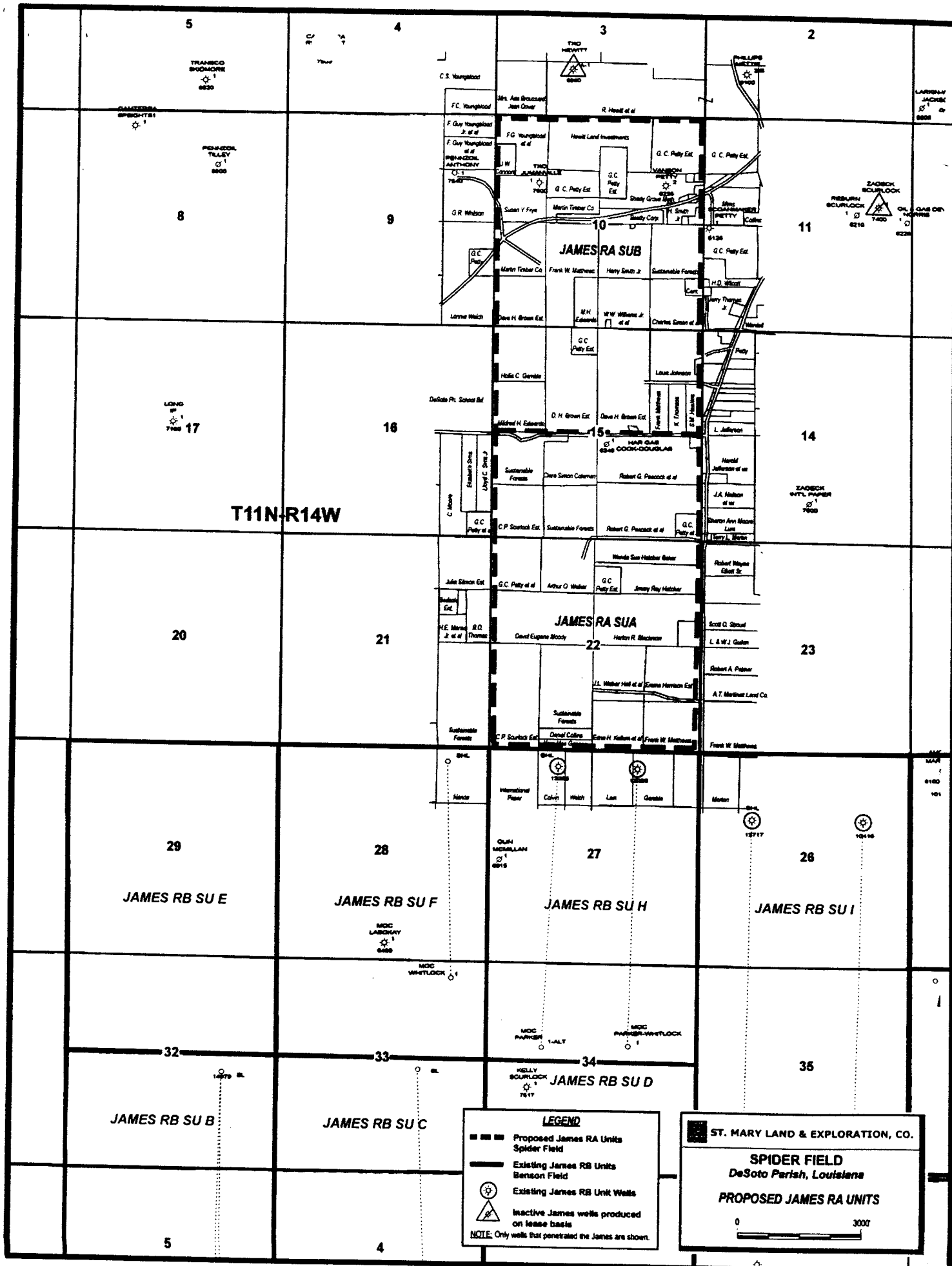
Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: Wm Timothy Allen III
Wm. Timothy Allen III
Attorneys for St. Mary Land & Exploration Company

WTAIII:bp
Enclosures

cc: Mr. James C. Broussard, Shreveport
District Manager (w/enclosures)
cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)



LEGEND

- Proposed James RA Units Spider Field
- Existing James RB Units Benson Field
- Existing James RB Unit Wells
- Inactive James wells produced on lease basis

NOTE: Only wells that penetrated the James are shown.

ST. MARY LAND & EXPLORATION, CO.

SPIDER FIELD
DeSoto Parish, Louisiana

PROPOSED JAMES RA UNITS

0 3000